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## LARSON CALLS ON GATES, PENTAGON TO CONSIDER WTO RULING AGAINST EADS IN TANKER DECISION

**Washington, DC-** U.S. Congressman John B. Larson joined fellow Members of Congress in calling on the Pentagon to take into account today's ruling by the World Trade Organization confirming that EADS received billions in illegal government subsidies from the European Union when awarding the \$35 Billion KC-X Tanker contract. EADS is currently competing against Boeing/Pratt & Whitney to build the next fleet of air tankers for military.

The letter (as seen below) addressed to Secretary Gates asks that he ***“quickly take steps to neutralize such unfair competitive advantage, in order that the tanker competition can proceed and a contract can be awarded without delays.”***

Congressman Larson released the following statement:

***“When it comes to trade and competition, all American workers want is a fair shot and more importantly, a level playing field. That’s what the workers from Pratt & Whitney ask for and that’s what I work hard every day to guarantee. Today’s WTO ruling confirms what I and the workers across Connecticut have known for quite some time. They aren’t on a level playing field with their foreign competitors; they’re extremely disadvantaged***

***by illegal, unfair subsidies.”***

***“I call on the Secretary Pentagon to take the WTO’s ruling into serious consideration when it comes to considering the Air Tanker Competition. We build the best tankers, powered by engines made Connecticut workers, here in America, without unfair subsidies. These American-made tankers are the best value for taxpayers and our men and women in the military.”***

***“The Pentagon must now move expeditiously to end this long odyssey. It’s time for them to make a proper and fair decision on the tanker on behalf of our workers and our military. “***

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June 30, 2010

The Honorable Robert M. Gates

Secretary

Department of Defense

The Pentagon, Room 3E880

Washington, DC 20301 - 1000

Dear Secretary Gates:

We have written in the past to express our profound disappointment at the failure of the Air Force to consider the multibillion dollar illegal launch aid subsidies given to EADS by the European Union. These subsidies caused serious and ongoing distortion in the global market for large aircraft, causing substantial harm to the American aerospace industry.

We are concerned that illegal subsidies will distort the KC-X competition unless action is taken by the Air Force to create a level playing field by acknowledging the existence of these subsidies and taking steps to nullify the advantage they have given EADS. Giving appropriate and due consideration to these bid distorting subsidies in determining whom to award the contract will ensure a fair, open and transparent competition.

Our concern is shared by an overwhelming majority of the House of Representatives. On May 27<sup>th</sup>, the House passed by a vote of 410 to 8 an amendment to the National Defense Authorization Act requiring that the Department of Defense consider any unfair competitive advantage an offeror may possess in the KC-X aerial refueling tanker competition.

With the vote taken on May 27<sup>th</sup>, the House of Representatives said that the KC-X contract has to be fair. A contract awarded without consideration of Airbus' illegal subsidies would be deeply flawed.

We ask that you quickly begin the process of ascertaining the extent to which the illegal subsidies have given EADS an unfair competitive advantage. We also ask that you quickly take steps to neutralize such unfair competitive advantage, in order that the tanker competition can proceed and a contract can be awarded without delays.

We look forward to working with you.

Very truly yours,

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